REMARKS

In paragraph 3 on page 3 of the Office Action, claims 1, 3-9, 14, 18, 19, 23, 24, 28, 29, 42, 43, 45-50, 52-56 and 58-64 were rejected under § 103(b) as being unpatentable over Banker in view of Hoarty and Palazzi.

Applicant respectfully traverses the rejection.

Independent claim 1 sets forth, in part, an interface to the set top terminal for receiving and processing subscriber input, a modem connected to the interface for communicating with one or more headends, wherein the set top terminal receives television program signals based on the subscriber input and a microprocessor connected between the interface and the modem. The hardware upgrade is a card that is insertable into the set top terminal to add a data modulation and demodulation function to the set top terminal such that data may be retrieved from the one or more headends and stored in local storage wherein the data includes information from an interactive service for accessing an on-line database thereby allowing actual transactions using two-way communications over the modem with the interactive service via submenus.

Thus, the hardware upgrade adds data modulation and demodulation to the set top terminal such that information from an interactive service for accessing an on-line database may be retrieved from the one or more headends. In this manner, two-way communications over the modem may be achieved with the interactive service. Independent claims 14, 24, 42 and 60 include similar recitations.

Banker fails to suggest that the upgrade, i.e., the expansion card 138, adds data modulation and demodulation to the set top terminal. Rather, Banker discloses that the

subscriber terminals 40, 44 and 48 may include a modem and telephone link 52 to a telephone processor 16 at the headend 10. Further, Banker discloses that microprocessor 128 includes additional capacity for other auxiliary device communications and control through a data port 140. Thus, according to Banker, the subscriber terminals already have a modem for communicating with processors at the headend and the expansion card therefore does not provide such capability. Rather, Banker discloses that the expansion card merely provides program or data memory, or renewed security.

Further, Banker does not disclose that two-way communications with an interactive service occurs over the modem provided by the hardware upgrade. Instead, Banker merely discloses data being sent to and from the subscriber terminals, but does not disclose two-way communications with an interactive service occurring over a modem provided by a hardware upgrade, i.e., the expansion card 138.

Thus, Banker fails to disclose, teach or suggest the invention as defined in independent claims 1, 14, 24, 42 and 60.

Hoarty fails to overcome the deficiencies of Banker. Hoarty is merely cited as disclosing a home interface controller 13 that includes input and output connections 261 for cable television RF. The home interface controller 13 also includes an expansion interface 263 for a modem. However, the expansion interface for providing a modem is for coupling the home interface controller 13 to a computer. Hoarty fails to suggest that the modem communicates with a headend. Moreover, Hoarty fails to suggest a hardware upgrade that adds data modulation and demodulation to the set top terminal for accessing an on-line database at a headend and retrieving interactive services from the one or more

headends. Hoarty fails to suggest that a modem is in anyway capable of communicating with the headend. Thus, two-way communications between the set top terminal and the headend over the modem is not enabled.

Thus, Banker and Hoarty, alone or in combination, fail to disclose, teach or suggest the invention as defined in independent claims 1, 14, 24, 42 and 60.

Palazzi fails to overcome the deficiencies of Banker and Hoarty. Palazzi is merely cited as disclosing a modem for communicating with a remote database. However, Palazzi fails to suggest that the modem communicates with a headend. Moreover, Palazzi fails to suggest a hardware upgrade that adds data modulation and demodulation to the set top terminal for accessing an on-line database at a headend and retrieving interactive services from the one or more headends. Palazzi fails to suggest that a modem is in anyway capable of communicating with the headend. Thus, two-way communications between the set top terminal and the headend over the modem is not enabled.

Thus, Banker, Hoarty and Palazzi, alone or in combination, fail to disclose, teach or suggest the invention as defined in independent claims 1, 14, 24, 42 and 60.

Dependent claims 3-9, 18, 19, 23, 28, 29, 43, 45-50, 52-56, 58-59 and 61-64 are also patentable over the references, because they incorporate all of the limitations of the corresponding independent claims 1, 14, 24, 42 and 60, respectively. Further dependent claims 3-9, 18, 19, 23, 28, 29, 43, 45-50, 52-56, 58-59 and 61-64 recite additional novel elements and limitations. Applicant reserves the right to argue independently the patentability of these additional novel aspects. Therefore, Applicant respectfully submits

that dependent claims 3-9, 18, 19, 23, 28, 29, 43, 45-50, 52-56, 58-59 and 61-64 are patentable over the cited references.

On the basis of the above amendments and remarks, it is respectfully submitted that the claims are in immediate condition for allowance. Accordingly, reconsideration of this application and its allowance are requested.

If a telephone conference would be helpful in resolving any issues concerning this communication, please contact Attorney for Applicant, David W. Lynch, at 865-380-5976. If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 13-2725 for any additional fee required under 37 C.F.R. §§ 1.16 or 1.17; particularly, extension of time fees.

Respectfully submitted,

Merchant & Gould
P.O Box 2903
Minneapolis, MN 55402-2903
865-380-5976

23552
PATENT TRADEMARK OFFICE

By: 
Name: David W. Lynch
Reg. No.: 36,204